

FUNDING

Intermediate School Districts (ISDs) are the grantees for Great Start Readiness Program. They receive funding via eleven State Aid Payments for each fiscal year, beginning in October. Information pertaining to State Aid Payments may be found under Section 32d "Great Start Readiness Program" in the State Aid Financial Status Report sent monthly to each ISD. Local agreements detail the process and timeline of how funding is flowed to subrecipients/subcontractors.

State funds are appropriated annually based on a 10/1 to 9/30 fiscal year. School districts are to ensure that services and materials purchased for a given fiscal year are booked in the accounting system for that year.

Eligible Applicants

GSRP is described in Sections 32d, 32l, and 39 of the current State School Aid Act. GSRP Formula grants are allocated by the Michigan Department of Education (MDE) to ISDs. Competitive grants are awarded by MDE to ISDs on behalf of licensed/approved child care organizations.

- **Formula: (ISDs)** ISDs may choose to directly administer GSRP classrooms or develop agreements with eligible subrecipients to provide GSRP. Eligible subrecipients for Formula grants are: school districts, PSAs and public or private, non-profit or for-profit agencies which have been identified as having concentrations of eligible prekindergarten children in need of special readiness assistance.
- **Competitive (ISDs on behalf of a specific agency):** Eligible applicants for competitive grants are other than an LEA or ISD, except an LEA or ISD acting as a fiscal agent for a Head Start program. The community served by the agency is identified as having concentrations of eligible prekindergarten children in need of special readiness assistance. The Competitive application is prepared by a specific agency for a specific catchment area and submitted to the ISD for its approval and submission to MDE. If the ISD has reasons why it cannot approve sending the grant proposal on, those reasons should be provided to the contact person listed on the proposal by email. This will give the agency timely written notification.

Requesting And Awarding Of Funding

The ISD must complete all applications and reports for GSRP in the Michigan Electronic Grants System Plus (MEGS+). Only the ISD can initiate or submit a GSRP application and the associated reports. The ISD's Authorized Official, one who is a Level 5 in MEGS+, can choose to be the only person who performs high-level administrative activities within a grant application or give others access to the application.

Formula GSRP: An ISD intending to implement a GSRP submits a pre-application which is referred to as the Comprehensive Community Needs and Resources Assessment (CNRA) in MEGS+. The CNRA is completed in conjunction with local partners and includes a worksheet for collecting data on the need and capacity of each LEA. This data is aggregated into one ISD statement of need and request for slots for the following year. Prior to submission the CNRA must go through a review and endorsement process with the local Great Start Collaborative.

After the State School Aid bill is signed in law by the Governor, the MDE calculates ISD funding levels based on the formula specified in legislation. An email notification is sent to ISD staff with level 5 authority in MEGS+, application main contacts, and early childhood contacts to inform them that the allocations have been posted on the GSRP website. The email announcement and allocation list serves as notification of funding for audit purposes. Email notification is also sent to level 5s, main contacts and early childhood contacts when the Final Application is live in MEGS+.

Competitive GSRP: The competition for funding occurs each spring. Applications are reviewed and scored by a diverse interagency committee using a scoring rubric. After the State School Aid bill is signed into law by the Governor, the MDE awards funding to agencies in rank order of scores until funding is exhausted. ISDs are notified of the results. Competitive agencies are subcontractors of their ISD. ISDs must initiate and submit the Final Application for any Competitive grant to the MDE in MEGS+.

Written Agreements

A written agreement is required between the ISD and its subrecipients/subcontractors. The agreement must contain the components that form a binding agreement between two or more parties, including an offer, acceptance of that offer and consideration of what each party gives of value that each would not normally be legally obligated to provide. The agreement must be signed by both parties.

A written agreement must include, but is not limited to:

- the process and timetable for the flow of funding from the ISD to each subrecipient/subcontractor;
- a statement regarding the administrative cap for the ISD and subrecipient/subcontractor including the percentage for each and the services covered;
- A statement of additional non-administrative services provided by the ISD either for a fee (specify) or at no cost;
- a general timeline for required GSRP reports and who will be responsible for completion of each report;
- a plan for how the ISD and subrecipients/subcontractors will partner to ensure high-quality implementation of the GSRP (e.g., monitoring, auditing, orientation, mentoring, and professional development of staff);

- a list of the developmental screening tool(s), curriculum(s), child assessment tool(s) used, and how staff will receive training on the full implementation of the tools;
- a plan showing partnership in conducting annual program evaluation using the Preschool Program Quality Assessment (PQA) tool, with expectations that each program develops annual plans toward earning a high-quality score on the PQA of 4.5 or higher;
- a calendar or list showing how often the required advisory group will meet; and
- a dispute resolution policy.

Assurances

ISDs agree to comply with all applicable requirements of State statutes, Federal laws, executive orders, regulations, policies, and award conditions governing GSRP. ISDs understand and agree that if they materially fail to comply with the terms and conditions of the grant award, MDE may withhold funds otherwise due from this grant program, any other federal grant programs, or the State School Aid Act of 1979 as amended, until the ISD as fiscal agent/grantee comes into compliance, or the matter has been adjudicated, and the amount disallowed has been recaptured (forfeited). MDE may withhold up to 100 percent of any payment based on a monitoring finding, audit finding, or pending final report. All current grant assurances can be viewed in the GSRP final application in MEGS+.

Formula Funding

Current legislative formula for determining first-round formula count:

The grade 1 to 5 free lunch count from the prior year, divided by the sum of the enrollment of grades 1 to 5 from prior year determines the "Grade 1 to 5 Poverty Percentage." The result of this calculation is multiplied by the average kindergarten count for the ISD in the last two years then multiplied by 50 percent.

Poverty Ranking

A Grade 1 to 5 poverty percentage is determined for each ISD as described above. ISDs are then ranked from highest to lowest Grade 1-5 poverty percentage. Funds are then distributed in each round to the ISDs in this order. Each round of funding continues until the balance of the grant award is disbursed.

First-Round Funding

First-round funding is calculated by multiplying the first-round formula count by the per-child amount.

Second-Round Funding

If funds have not been fully distributed after each ISD has received first round formula funding, disbursement continues in descending order according to the

poverty ranking. The second-round allocation provides ISDs the number of children each served in the immediate preceding fiscal year or the ISD requested number (as submitted on the current-year Comprehensive Community Needs and Resources Assessment), whichever is less, until all funding is disbursed.

Third-Round Funding

If funds are still available after second-round funding is completed, third-round funding is calculated by subtracting the number of slots funded in rounds one and two from the number of slots requested to arrive at a number of slots still needed. The number of slots still needed is then multiplied by the amount per-child. ISDs that do not address supplemental child care do not receive third-round funding, regardless of the documented free lunch percentage.

GSRP Funding Example

First-round funding example based on \$3,400 per-child for an ISD that had served 336 children in the previous year and requests 352 for the current year:

	ISD	Calculation
Grade 1 to 5 free lunch count from prior year;	3300	
divided by the sum of the enrollment of grades 1 to 5 from prior year;	Grade 1 = 1028 Grade 2 = 1007 Grade 3 = 1001 Grade 4 = 989 Grade 5 = 975 Sum = 5000	$3300 \div 5000 = .66$
determines the grade 1 to 5 poverty percentage;	66%	This Grade 1 to 5 poverty percentage is then used to determine a poverty ranking in descending order.
that calculation is multiplied by the average kindergarten count for the ISD in the last two years; and	10/11 = 1028 11/12 = 1033 Average = 1030.5	$.66 \times 1030.5 = 680.13$
multiplied by 50%.	$680.13 \times .5 = 340.065$	Total first-round formula count for this example is 340.
Slots are multiplied by the per-child amount.	$340 \times \$3,400 = \$1,156,000$	First-round funding for this example is \$1,156,000.

Second-round funding for this example is dependent upon:

- The availability of funds.
- The number of slots filled in the immediately preceding fiscal year (336) and the requested number of slots as submitted on the current year CNRA. Hold-harmless legislation would restrict this ISD to 336 of the 352 requested slots.

Third-round funding for this example is dependent upon:

- The availability of funds.
- Whether or not the ISD offers supplemental child care.

Enhanced Funding Options

When the entire grant award has been disbursed, formula grantees remain on the calculation worksheet in descending order. Funds are returned from ISDs in the form of returned slots in the Final Application. These funds are redistributed in the form of "Enhanced Allocation Offers" beginning with the ISD where the funding ran out. This process continues until all slots have been allocated.

Enhanced Funding Implications

GSRP enhanced funding is tied to service of additional, previously unfunded children, or supplemental Parent Involvement in Education (PIE) programming, where this option is already being implemented. Please note that:

- PIE remains capped at the amount spent on this option in the previous fiscal year.
- ISDs that accept enhanced funding and fill enhanced slots elevate the district's "hold harmless" base amount for the subsequent year.
- When slots are filled, carryover is allowed through June 30 of the succeeding fiscal year.
- Enhanced funding is provided at the same per-child amount as in the original award.

GSRP Enhanced Funding Program Options include:

1. ISDs should begin by documenting the maximum number of slots filled in the current program year. Count slots that have been vacated and then filled from the waiting list during the Early Childhood Spring Collection Reporting Period as discrete slots filled if the child filling a slot is new to GSRP in the ISD. A child who moves from one GSRP program to another within the ISD will only be counted once. Enhanced funding may be used to enroll children through the end of that same reporting period.
2. Reimbursement - If ISDs, subrecipients or subcontractors have provided preschool programming to additional, eligible children in a classroom which meets all GSRP requirements and there is documentation that those children are eligible for GSRP, the enhanced award may be used to compensate the ISD, subrecipient or subcontractor for provision of those services. Any tuition which parents have paid for preschool services is to be refunded.
3. Additional Subrecipients - Grantees may subcontract with an approved child development program. The grantee is responsible for high-quality implementation and all GSRP requirements (e.g., class size, staff qualifications, etc.) as outlined in the Great Start Readiness Program Implementation Manual at: www.michigan.gov/gsrp. This option may work well for grantees that do not have access to facilities or staff.

4. Enhance the PIE option - The total PIE amount may not exceed the PIE amount spent by a School District/PSA in the previous fiscal year.

Counting Slots as Filled/Not Filled

The total number of slots filled each year by the ISD is determined by the number of children who have been entered into the Michigan Student Data System (MSDS) as enrolled in GSRP in the Early Childhood Spring Collection. The total number of filled slots will be the ISD's "hold harmless" number to be used in the following year's allocation process.

Each child enrolled during the MSDS Early Childhood Spring Collection is considered to "fill" a discrete slot. Children who leave the program during the fall collection must be exited with their accurate exit date. Grantees may consider a slot "filled" after a child completes participation in at least one preschool session or daily routine during the spring collection. To support service to the highest number of eligible children, grantees are encouraged to use the wait-list to fill vacated slots.

Example 1:

A child enrolled in September but left the program in mid-October. That child will not count as filling a slot as he was not a part of the program during the MSDS Early Childhood Spring Collection. The slot vacated by the child will need to be filled.

Example 2:

A child participated in preschool from October through December before his family moved across the state. The program had thus far filled 17 of 18 slots. The child should be "exited" in MSDS and would be allowed to enroll in another GSRP program and could count as a filling a slot as long as that slot was in a different ISD. One week later, another eligible family enrolled their child into the program, enabling the grantee to document that all 18 slots were filled. Because there were actually 17 children on the classroom roster, the grantee accepted an additional eligible child two weeks later, bringing the class size up to the cap of 18.

All 19 children were entered into the Michigan Student Data System (MSDS) as participating in GSRP. Each child was reported on the GSRP Child and Staff Information Report. All children that withdraw from the program are reported as such.

Funding for unfilled slots will be recaptured through the State Aid Payment process.